

## Message Text

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47

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 L-03 H-02 INT-05 FEAE-00 PA-01 PRS-01 OES-03

ARAE-00 /093 W

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P 231531Z OCT 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC PRIORITY 3179

C O N F I D E N T I A L BUENOS AIRES 7014

PASS EXIM BANK, TREASURY, COMMERCE

E.O. 11652: GDS

TAGS: EFIN, EGEN, AR

SUBJECT: AMBASSADOR HILL'S MEETING WITH GUIDO DI TELLA

REF: STATE 237224

1. THIS MORNING OCT. 22), I MET FOR 45 MINUTES WITH GUIDO DI TELLA, SECRETARY FOR COORDINATION OF THE ECONOMY MINISTRY, AND JAVIER VILLANUEVA, ADVISOR TO ECONOMY MINISTER, TO DISCUSS OUTCOME RECENT GOA NEGOTIATIONS WITH IMF. FOLLOWING ARE HIGHLIGHTS OF CONVERSATION:

IMF NEGOTIATIONS: DI TELLA SAID NEGOTIATIONS WERE TOUGH AND ALMOST STALLED AT ONE POINT. HOWEVER, FINAL OUTCOME SUCCESSFUL. DI TELLA SAID HE THOUGHT USG SUPPORT HAD BEEN EXTREMELY HELPFUL. HE WISHES TO EXPRESS PERSONAL THANKS TO ASSISTANT SECRETARY ROGERS, DEPUTY ASSISTANT SECRETARY FISHLOW AND OTHER USG OFFICIALS FOR THEIR COOPERATION.

DI TELLA COMMENTED ARGENTINA FOLLOWING MIDDLE-OF-ROAD ECONOMIC PROGRAM WHICH JUSTIFIED INTERNATIONAL SUPPORT.

WITHOUT IT, HE WAS AFRAID ARGENTINA MIGHT VEER TOWARD

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RADICAL SOLUTIONS.

EXPORT-IMPORT BANK: DI TELLA SAID HE HAD CONTINUED CONSTRUCTIVE CONTACT WITH EXIM BANK WHILE IN WASHINGTON. HE EMPHASIZED GOA WOULD WELCOME, AND ENCOURAGE, EARLY VISIT TO ARGENTINA OF APPROPRIATE BANK OFFICIAL OR OFFICIALS.

INVESTMENT ISSUES: FOLLOWING UP ON FISHLOW CONVERSATION (SEE REFTEL), DI TELLA SAID GOA SEEKING EARLY RESOLUTION OUTSTANDING BILATERAL INVESTMENT PROBLEMS. REGARDING STANDARD ELECTRIC, HE SAID GOA WOULD SOON ISSUE NEW RESOLUTION ENABLING ENTEL TO RE-INITIATE PURCHASES FROM STANDARD (ONE OF STANDARD'S KEY OBJECTIVES). MEANWHILE, GOVERNMENT IS MOVING AHEAD WITH PLANS TO FORM MIXED COMPANY IN WHICH GOA WOULD HOLD MAJORITY OWNERSHIP. DI TELLA MEETING OCTOBER 23 WITH STANDARD'S LOCAL MANAGER TO REVIEW SITUATION. RE U.S. BANKS, DI TELLA SAID GOA MOVING AHEAD TO CARRY OUT NATIONALIZATION OF CHASE'S SUBSIDIARY BANCO ARGENTINE DE COMERCIO (WHICH ALREADY INTERVENED). NEW LAW TO PERMIT MORGAN AND CITY BANK TO UNDERTAKE VOLUNTARY ARGENTINIZATION (RATHER THAN COMPLEX NATIONALIZATION) WOULD BE PRESENTED TO CONGRESS SOON. EXXON SITUATION NOT DISCUSSED IN ANY DETAIL. DI TELLA REAFFIRMED DELTEC WAS TOUGHEST CASE OF ALL. HOWEVER, HE AGREED TO SEE WHAT COULD BE DONE TO EASE SITUATION FOR DELTEC DIRECTORS WHO FACING COURT ORDERS IN ARGENTINA.

2. COMMENT: WE SOMEWHAT ENCOURAGED BY APPARENT GOA SERIOUSNESS RESOLVE INVESTMENT PROBLEMS. IF SCHEDULE OF EXIM OFFICIALS PERMITS, WE BELIEVE EARLY VISIT TO ARGENTINA WOULD BE EXTREMELY USEFUL. EMBASSY WILL BE COMMUNICATING DIRECTLY WITH EXIM BANK OFFICIALS ON THIS SUBJECT.

HILL

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## Message Attributes

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